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NEWS RELEASE

Idaho Power Files Annual Fixed Cost Adjustment

This annual filing adjusts electric rates for Idaho Residential and Small General Service customers. The Fixed Cost Adjustment updates rates based on changes in energy use per customer during the previous year.

BOISE, Idaho, March 13, 2015 -- Today Idaho Power filed its annual Fixed Cost Adjustment (FCA) with the Idaho Public Utilities Commission (IPUC). This year's FCA filing represents an increase of about \$2.0 million for Residential and Small General Service customers. If the proposal is approved as filed, the price change for an average Idaho Power residential customer in Idaho using 1,050 kilowatt-hours of energy a month would be an increase of about \$0.36 per month beginning June 1.

Revenue Impact By Class: Percentage Change from Current Billed Rates

| | Residential | Small General Service | Overall Change* |
|--|-------------|-----------------------------|--------------------|
| Fixed Cost Adjustment (FCA) | 0.35% | 0.32% | 0.35% |

*The overall percentage change for Residential and Small General Service customers

The FCA "decouples," or separates, energy sales from revenue in order to remove financial disincentives that exist when Idaho Power promotes energy efficiency programs and activities. Idaho Power encourages customers to use less electricity through the company's energy efficiency programs and efforts. But as consumption goes down, the fixed costs remain constant, or fixed, and still must be recovered. Fixed costs are costs that do not change with the level of consumption. They include costs associated with long lasting-infrastructure—things like generation plants, power lines, substations, and other equipment—as well as certain administrative costs.

If, because of reduced energy use per-customer during the prior year, Idaho Power collects less than the level of fixed costs authorized by the IPUC, the company is provided an opportunity to collect the difference through a surcharge. If Idaho Power collects more than the authorized amount, the company is required to refund the difference to customers through a credit.

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Opportunities for Public Review

Idaho Power's filing is a proposal that is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (472 W. Washington St., Boise, Idaho, 83702), Idaho Power offices or on Idaho Power's website, www.idahopower.com or the IPUC website, www.puc.idaho.gov. Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via email about the case. Written comments regarding Idaho Power's application may be filed with the IPUC. You can view additional related materials on the filing at www.idahopower.com/rates.

About Idaho Power Company:

Idaho Power, headquartered in Boise, Idaho, and locally operated since 1916, is an electric utility that employs more than 2,000 people who serve about 516,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its diverse generation portfolio, Idaho Power's residential, business and agricultural customers pay among the nation's lowest rates for electricity. IDACORP, Inc. (NYSE: IDA), Idaho Power's independent publicly traded parent company, is also headquartered in Boise, Idaho. To learn more, visit www.idahopower.com or www.idacorpinc.com.

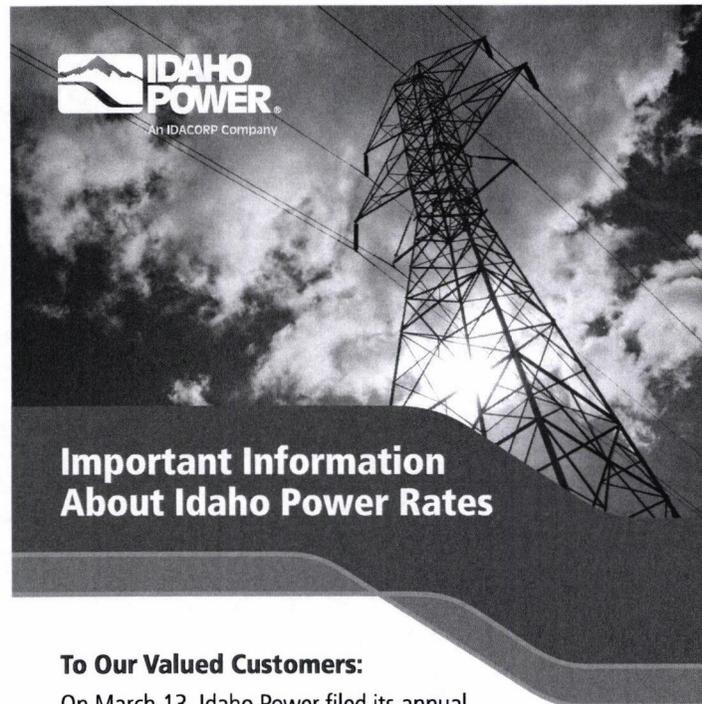
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IDAHO PUBLIC
UTILITIES COMMISSION



To Our Valued Customers:

On March 13, Idaho Power filed its annual Fixed Cost Adjustment (FCA) with the Idaho Public Utilities Commission (IPUC). This year's FCA filing represents an increase of about \$2.0 million for Residential and Small General Service customers. If the FCA proposal is approved as filed, a typical residential customer in Idaho using 1,050 kWh a month will see about a \$0.36 increase to their monthly bill beginning June 1.

Overall Impact

| 2015 FCA REVENUE IMPACT BY CLASS | | |
|---|-----------------------|-----------------|
| Percentage Change from Current Billed Rates | | |
| Residential | Small General Service | Overall Change* |
| 0.35% | 0.32% | 0.35% |

*The overall percentage change for Residential and Small General Service customers.

FCA Background

The FCA is a true-up mechanism that "decouples," or separates, energy sales from revenue to remove the financial disincentives that exist when the company invests in demand-side management resources. The FCA annually adjusts the electric rates for Idaho Residential and Small General Service customers based on changes in energy use during the previous year.

FCA Background

Idaho Power encourages customers to use less electricity through the company's energy efficiency programs and efforts. But as consumption goes down, our fixed costs remain constant, or fixed, and still must be recovered. Fixed costs include costs associated with long lasting infrastructure — things like generation plants, power lines, substations, and other equipment — as well as certain administrative costs.

The FCA provides Idaho Power an opportunity to recover the Commission-authorized level of fixed costs. If Idaho Power collects less than the authorized fixed-cost amount because of reduced energy use per-customer during the prior year, we're allowed to collect the difference through a surcharge. If we collect more than the authorized amount, we're required to refund the difference to customers through a credit. In the past eight years, both scenarios have occurred. In 2014, Idaho Power recovered less than the authorized fixed cost amount.

Idaho Power values demand-side management, energy efficiency and education programs. The FCA mechanism allows the company to pursue those programs without experiencing negative financial impacts, providing for a robust energy efficiency portfolio.

Opportunities for Public Review

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We value your business and appreciate you taking the time to read this notice. Thank you.



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